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NEW JERSEY BOARD OF
CHIROPRACTIC EXAMINERS

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STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC
SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF CHIROPRACTIC
EXAMINERS

IN THE MATTER OF THE SUSPENSION	:	
OR REVOCATION OF THE LICENSE OF	:	Administrative Action
	:	
STEPHEN M. VARGO, D.C.	:	CONSENT ORDER
LICENSE NO. 2601	:	
	:	
	:	
TO PRACTICE CHIROPRACTIC	:	
IN THE STATE OF NEW JERSEY	:	
	:	

This matter was opened to the Board of Chiropractic Examiners (hereinafter, the "Board") following an investigation of the chiropractic practices of Steven Verchow, D.C. and Alexander Kuntzevich, D.C. (hereinafter, "Dr. Verchow" and "Dr. Kuntzevich", respectively, or "Drs. Verchow and Kuntzevich", collectively), and the role which Stephen M. Vargo, D.C. (hereinafter, "Dr. Vargo" or "Respondent") performed in these chiropractic practices.

The Board has reviewed various patient files in which Respondent was an examining and/or treating chiropractic physician and a participant in the chiropractic practices of Drs. Verchow and Kuntzevich.

The Respondent makes the following admissions or assertions:

1. From January 1991 to February 1993, Respondent practiced as an associate in one or more treatment centers owned by Drs. Verchow and Kuntzevich, including Bergen-Hudson-Passaic Chiropractic Center, located in West New York, New Jersey.

2. Respondent failed to exercise his professional duty to make independent chiropractic judgments as to the diagnosis and treatment of his patients, but rather deferred to directions of Drs. Verchow and Kuntzevich and others in their practice; Drs. Verchow and Kuntzevich and these others did not know the specific needs of the patients Respondent examined or treated such that chiropractic decisions were made without reference to the specific needs of these patients.

3. Respondent made diagnoses of disk wedging and disk displacement in the overwhelming majority of patient cases, although this condition did not exist or was of no clinical importance to the diagnosis of these patients.

4. Respondent participated in the practice of recording each patient's range of motion in a manner which was not accurate but which was intended to reflect a lesser degree of range of motion than the patient actually had, in order to appear that the patient's condition was more serious than it actually was, in order to justify continuing treatments and to form the basis for personal injury lawsuits.

5. Respondent did not perform diagnostic evaluations appropriate to each presenting patient and therefore violated N.J.A.C. 13:44E-1.1(b).

6. Respondent aided and abetted in ordering diagnostic tests which were neither chiropractically nor medically necessary in the care of the overwhelming majority of the patients he either examined or treated; these tests were ordered to increase fees and to form the basis for personal injury lawsuits.

7. Respondent treated patients without regard to whether these patients needed chiropractic treatments; he aided and abetted in rendering purported treatments, including what purported to be adjustments and therapeutic modalities; in participating in these practices, respondent failed to exercise the independent judgment that is required of a professional chiropractic licensee.

8. Respondent utilized a numbering system for recording the condition of each patient at each visit; numbers were used without regard to the actual physical condition of the patients but merely to justify ongoing chiropractic treatments and to form the basis for seeking higher awards in personal injury lawsuits.

9. Respondent repeatedly indicated in patient records that he performed "neuromuscular reeducation" on patients, when, in fact he did not, and when, in any event, these patients were not in need of "neuromuscular reeducation."

10. Respondent failed to keep accurate contemporaneous patient records in violation of N.J.A.C. 13:44E-2.2(a).

The Board finds that the above-stated conduct, as well as other conduct not specifically recited herein, engaged in by Respondent constitutes:

- a. dishonesty, fraud, deception and misrepresentation in violation of N.J.S.A. 45:1-21(b);
- b. gross and repeated acts of negligence in violation of N.J.S.A. 45:1-21(c) and (d);
- c. professional misconduct in violation of N.J.S.A. 45:1-21(e);
- d. violation of regulations and statutes administered by the Board, in violation of N.J.S.A. 45:1-21(h).

The parties being desirous of resolving this matter without the necessity of formal proceedings, and it appearing that Respondent acknowledges the findings of the Board previously set forth as accurate that his admissions and assertions constitute grounds for disciplinary action pursuant to N.J.S.A. 45:1-21(b), (c), (d), (e) and (h), and it further appearing that Respondent has read the terms of this Order and understands their meaning, consents to be bound by same, and it further appearing that the Board finds that the within Order is adequately protective of the public interest, and it further appearing that good cause exists for entry of the within Order:


IT IS THEREFORE ON THIS 27th DAY OF DECEMBER, 1996
ORDERED:

1. Respondent's license be and hereby is suspended for the above stated conduct for three years, all but 30 days of said suspension to be stayed and to be deemed a period of probation, the conditions of which shall be that Respondent remains in compliance with all other provisions of this Order and all statutory and regulatory provisions applicable to the practice of chiropractic. Respondent shall, on February 1, 1997 surrender his license for the 30 day period of active suspension provided for herein.

2. Respondent shall pay a civil penalty to the Board in the amount of four thousand (\$4,000) dollars by certified check or money order made payable to the New Jersey State Board of Chiropractic Examiners. An initial installment payment on said penalty, in the amount of \$2,000, shall be received by the Board or postmarked on or before January 6, 1997. Thereafter, the final installment payment of \$2,000 shall be received by the Board or postmarked on or before March 3, 1997.

3. Respondent shall submit to ongoing monitoring of his chiropractic practice and shall submit to random and unannounced audits of the respondent's patient records and billing records as may be conducted by the Board's designees, at the Board's discretion, for a period of three years from the entry date of this Order. On demand made, the respondent shall immediately make available all records necessary to conduct the audit as determined by the Board or its designees.

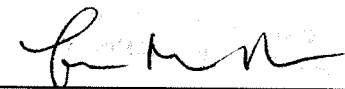
4. Notwithstanding any provision of this Order, nothing in this Order shall prevent the Board, in its sole discretion, from deciding to initiate any action it deems appropriate and necessary to discipline Respondent or to protect the public health, safety and welfare, consistent with its authority, including but not limited to its authority as set forth in N.J.S.A. 45:1-21 and N.J.S.A. 45:1-22, where such conduct (a) occurred prior to January 1992 or after February 1993; or (b) occurred during the period 1992 to 1993 and was not conduct relating to the practice of Drs. Verchow and Kuntzevich, as described herein or in the administrative complaint filed with the Board on October 12, 1994 regarding Drs. Verchow and Kuntzevich; or (c) resulted in physical or psychological damage to any patient.


Anthony Demarco, D.C., President
Board of Chiropractic Examiners

I have read the within Order.
I understand the Order, and I
agree to be bound by its terms
and conditions. Consent is
hereby given to enter this Order.


Stephen M. Vargo, D.C.

Consented as to form and entry


Libero Marotta, Esq.
Attorney for Respondent